

**TOWN OF ARNETT, OKLAHOMA
ARNETT, OKLAHOMA**

**AGREED UPON PROCEDURES
AND ACCOMPANYING
INDEPENDENT ACCOUNTANT'S REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2022**



801 Frisco, Clinton, OK 73601
580.323.1766 | 580.323.1768 fax

Members of American
Institute of Certified
Public Accountants

Members of Oklahoma
Society of Certified
Public Accountants

Practitioner's Report on Applying Agreed-Upon Procedures

To the Specified Users of the Report:

Town Board, Town of Arnett
Arnett, Oklahoma

Trustees of the Arnett Public Facilities Authority
Arnett, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

We have performed the procedures enumerated below as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Public Facilities Authority in meeting its financial accountability requirements as prescribed by applicable Oklahoma law and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2022. Management of the Town of Arnett and the Arnett Public Facilities Authority are responsible for the Town's and Authority's financial accountability and its compliance with those legal and contractual requirements.

The Town of Arnett and the Arnett Public Facilities Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting its financial accountability requirements as prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1-.3. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Procedures and Findings

As to the Town of Arnett as of and for the fiscal year ended June 30, 2022:

- I. **Procedures Performed:** Prepare a schedule of changes in fund balances for each fund from the Town's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit I. No instances of noncompliance noted.

- II. **Procedures Performed:** Prepare a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund and compare the actual expenditures reported to the authorized appropriations to report any noted instances on noncompliance with the appropriation limitations.

Findings: See Exhibit II. No instances of noncompliance noted.

- III. **Procedures Performed:** Agree the Town's material bank account balances to bank statements and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No instances of noncompliance noted.

- IV. **Procedures Performed:** Compare the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted. All deposits were insured or collateralized at June 30, 2022.

- V. **Procedures Performed:** Compare use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VI. **Procedures Performed:** Compare the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VII. **Procedures Performed:** Compare the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: No such compliance requirements were identified that were applicable to the City. No instances of noncompliance noted.

- VIII. **Procedures Performed:** For the grants received during the year, prepare a schedule of grant funds awarded, received, expended and the remaining balances. Compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: See Exhibit III. No instances of noncompliance noted.

As to the Arnett Public Facilities Authority, as of and for the year ended June 30, 2022:

- I. **Procedures Performed:** Prepare a schedule of revenues, expenditures and changes in fund balance-cash basis from the Authority's trial balances and compare the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: See Exhibit IV. No instances of noncompliance noted.

- II. **Procedures Performed:** Agree the Authority's material bank account balances to bank statements and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: No unusual reconciling items were noted that did not clear on a timely basis.

- III. **Procedures Performed:** Compare the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: No instances of noncompliance noted. All deposits were insured or collateralized at June 30, 2022.

- IV. **Procedures Performed:** Compare the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- V. **Procedures Performed:** Compare the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: No instances of noncompliance noted.

- VI. **Procedures Performed:** Compare the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: The Authority had no debt, therefore no debt service coverage requirements of bond indentures were evaluated for compliance. No instances of noncompliance noted.

We were engaged by The Town of Arnett and the Arnett Public Facilities Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the additional requirements prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1.-3. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, to meet the requirements prescribed in Oklahoma Statutes 11-17.105-.107 and 60-180.1.-3. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of The Town of Arnett and the Arnett Public Facilities Authority and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than those specified parties.



rsmeacham
CPAs • ADVISORS

Clinton, Oklahoma
September 19, 2022

rsmeacham
CPAs • ADVISORS

TOWN OF ARNETT, OKLAHOMA
ARNETT PUBLIC FACILITIES AUTHORITY

SUMMARY OF CHANGES IN BUDGETARY FUND BALANCES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

	Beginning of Year Fund Balance	Adjustments	Current Year Change	End of Year Fund Balance
TOWN OF ARNETT				
General Fund	571,904	-	22,580	594,484
Fire Department Fund	1,364	-	14,718	16,082
Cemetery Care Fund	29,646	-	2,123	31,769
TOWN TOTAL	<u>\$ 602,914</u>	<u>\$ -</u>	<u>\$ 39,421</u>	<u>\$ 642,335</u>
 ARNETT PUBLIC FACILITIES AUTHORITY	 \$ 1,552,295		 120,355	 1,672,650

TOWN OF ARNETT, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 GENERAL FUND
 FIRE DEPARTMENT FUND
 CEMETERY CARE FUND
 FOR THE YEAR ENDED JUNE 30, 2022

GENERAL FUND	Approved Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	\$ 528,850	\$ 571,904	\$ 43,054
Resources (Inflows):			
Taxes:			
Sales tax	187,422	187,668	246
Franchise tax	23,292	22,621	(671)
Cigarette tax	1,345	1,463	118
Gas Excise tax	826	881	55
Use tax	33,575	34,052	477
Total Taxes	<u>246,460</u>	<u>246,685</u>	<u>225</u>
Intergovernmental:			
Alcoholic Beverage tax	43,000	43,591	591
Motor Vehicle tax	3,997	3,879	(118)
Total Intergovernmental	<u>46,997</u>	<u>47,470</u>	<u>473</u>
Other Revenue:			
Animal Control	-	100	100
Permits & Licenses	100	25	(75)
Rental	1,375	900	(475)
Police Fines	1,000	684	(316)
Grant Income	42,005	42,005	-
Oil & Gas Royalties	2,200	2,422	222
Cemetery Income	6,500	7,000	500
Interest	1,000	1,087	87
Miscellaneous	6,500	3,938	(2,562)
Total Other Revenue	<u>60,680</u>	<u>58,161</u>	<u>(2,519)</u>
Total current year resources	<u>354,137</u>	<u>352,316</u>	<u>(1,821)</u>
Amounts available for appropriation	<u>882,987</u>	<u>924,220</u>	<u>41,233</u>
Charges to Appropriations (Outflows):			
Administration			
Personal Services	2,728	1,750	978
Other Services and Charges	2,500	1,550	950
Total Administration	<u>5,228</u>	<u>3,300</u>	<u>1,928</u>

TOWN OF ARNETT, OKLAHOMA
 BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
 GENERAL FUND
 FIRE DEPARTMENT FUND
 CEMETERY CARE FUND
 FOR THE YEAR ENDED JUNE 30, 2022

(Continued)

	Approved Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
General Government			
Personal Services	90,941	93,550	(2,609)
Other Services and Charges	130,000	124,880	5,120
Capital Outlay	23,100	23,100	-
Total General Government	<u>244,041</u>	<u>241,530</u>	<u>2,511</u>
City Clerk			
Personal Services	35,475	28,309	7,166
Other Services and Charges	1,000	2,167	(1,167)
Total City Clerk	<u>36,475</u>	<u>30,476</u>	<u>5,999</u>
Police			
Other Services and Charges	30,000	27,545	2,455
Total Police	<u>30,000</u>	<u>27,545</u>	<u>2,455</u>
Fire			
Other Services and Charges	13,000	11,215	1,785
Total Fire	<u>13,000</u>	<u>11,215</u>	<u>1,785</u>
City Attorney			
Maintenance & Operations	6,000	4,300	1,700
Total City Attorney	<u>6,000</u>	<u>4,300</u>	<u>1,700</u>
Street Department			
Materials & Supplies	1,000	607	393
Total Street Department	<u>1,000</u>	<u>607</u>	<u>393</u>
Parks & Recreation			
Materials & Supplies	3,000	303	2,697
Capital Outlay	-	1,998	(1,998)
Total Parks & Recreation	<u>3,000</u>	<u>2,301</u>	<u>699</u>
Cemetery			
Materials and Supplies	500	275	225
Total Cemetery	<u>500</u>	<u>275</u>	<u>225</u>
Total Charges to Appropriations	<u>339,244</u>	<u>321,549</u>	<u>17,695</u>
Other Financing Sources (Uses)			
Transfers-out	-	(8,187)	(8,187)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(8,187)</u>	<u>(8,187)</u>
Change in Fund Balance	14,893	22,580	7,687
Ending Budgetary Fund Balance	<u>\$ 543,743</u>	<u>\$ 594,484</u>	<u>\$ 50,741</u>

TOWN OF ARNETT, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
FIRE DEPARTMENT FUND
CEMETERY CARE FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Approved Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
FIRE DEPARTMENT FUND			
Beginning Budgetary Fund Balance:	1,363	1,364	1
OPERATING REVENUES			
Donations	2,450	2,450	-
Federal Grants	4,763	4,763	-
Miscellaneous	11,810	11,859	49
Interest Income	10	8	(2)
Rental Income	800	800	-
TOTAL OPERATING REVENUES	<u>19,833</u>	<u>19,880</u>	<u>47</u>
Amounts available for appropriation	21,196	21,244	48
Charges to Appropriations (Outflows):			
Fire Department Expenses			
Other Services and Charges	<u>6,100</u>	<u>5,162</u>	<u>938</u>
Total Fire Department Expenses	<u>6,100</u>	<u>5,162</u>	<u>938</u>
Total Charges to Appropriations	<u>6,100</u>	<u>5,162</u>	<u>938</u>
Change in Fund Balance	13,733	14,718	985
Ending Budgetary Fund Balance	<u><u>15,096</u></u>	<u><u>16,082</u></u>	<u><u>986</u></u>

TOWN OF ARNETT, OKLAHOMA
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
FIRE DEPARTMENT FUND
CEMETERY CARE FUND
FOR THE YEAR ENDED JUNE 30, 2022

CEMETERY CARE FUND	Approved Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Beginning Budgetary Fund Balance:	29,496	29,646	150
Operating Revenues			
Interest	25	19	(6)
Donations	150	75	(75)
Cemetery Lots Sold	400	400	-
Gravesite Open/Close	1,750	1,900	150
Total Operating Revenues	<u>2,325</u>	<u>2,394</u>	<u>69</u>
Amounts available for appropriation	31,821	32,040	219
Charges to Appropriations (Outflows):			
Operating Expenses			
Other Services & Charges	1,000	271	729
Total Cemetery Care Expenses	<u>1,000</u>	<u>271</u>	<u>729</u>
Total Charges to Appropriations	<u>1,000</u>	<u>271</u>	<u>729</u>
Change in Fund Balance	1,325	2,123	798
Ending Budgetary Fund Balance	<u><u>30,821</u></u>	<u><u>31,769</u></u>	<u><u>948</u></u>

JUNE 30, 2022

**SCHEDULE OF GRANTS - MODIFIED CASH BASIS
FOR THE FISCAL YEAR ENDED**

Grant revenue	Funding period	Project description	Award	Amount received	Amount expended	Receipts less expenditures
<i>Grant received from:</i>						
OEDA Rural Fire	9/1/21 - 6/30/2022	Fire Operations	4,763	4,763	5,147	(384)
REAP Grant OEDA	1/10/22 - 1/10/2023	AMR Water Meters	65,000	57,741	68,856	(11,115)
ARPA Funding	FY22	Reimbursements	-	42,005	-	42,005
Total			<u>\$ 69,763</u>	<u>\$ 104,509</u>	<u>\$ 74,003</u>	<u>\$ 30,506</u>

ARNETT PUBLIC FACILITIES AUTHORITY ARNETT, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

	Public Facilities Authority
Operating Revenues:	
Charges for services:	
Water	\$ 114,057
Sewer	35,301
Sanitation	103,552
Lease/Rental	13,922
Grant Revenues	65,000
Fees	2,495
Interest	697
Miscellaneous	-
Total Operating Revenues	<u>335,024</u>
Admin Expenses:	
Personal Services	15,133
Materials & Supplies	1,481
Others Services & Charges	7,034
Capital Outlay	137
Total Admin Expenses:	<u>23,785</u>
Sewer Expenses:	
Materials & Supplies	717
Others Services & Charges	683
Total Sewer Expenses:	<u>1,400</u>
Trash Expenses:	
Others Services & Charges	59,335
Total Trash Expenses:	<u>59,335</u>
Water Expenses:	
Personal Services	102,541
Materials & Supplies	4,443
Others Services & Charges	7,570
Capital Outlay	50
Total Water Expenses:	<u>114,604</u>
Total Operating Expenses	<u>199,124</u>
Operating Income	<u>135,900</u>
Transfers In	8,187
Depreciation	(23,732)
Change in fund balance	\$ 120,355
Fund Balance - beginning	<u>1,552,295</u>
Fund Balance - ending	<u><u>\$ 1,672,650</u></u>

ARNETT PUBLIC FACILITIES AUTHORITY ARNETT, OKLAHOMA
STATEMENT OF ASSETS, LIABILITIES & FUND BALANCES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2022

ASSETS

Unrestricted Assets:

Cash and Cash Equivalents	\$	465,081
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Restricted Assets:

Cash and Cash Equivalents		41,643
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Investments		-
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Accounts Receivable		12,036
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Other Assets		64,991
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Capital Assets:

Land		231,337
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Plant Property & Equipment		1,154,281
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Less: accumulated depreciation		(255,839)
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Depreciable Capital Assets, net		1,129,779
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Total Assets	\$	1,713,530
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LIABILITIES

Meter Deposits Payable		11,539
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Notes Payable - USDA		-
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Due to Other Funds		29,341
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Total liabilities	\$	40,880
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FUND BALANCES

Nonspendable	\$	1,141,815
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Restricted		41,643
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Unassigned		489,192
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Total fund balances		1,672,650
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Total liabilities and fund balances	\$	1,713,530
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